

United States Courts
Southern District of Texas
FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

9 NOV 3 - 2005

Michael N. Milby, Clerk of Court

CHARLES "CHUCK" JAMES,

Plaintiff

V.

CLYDE E. PATTON,
JUDITH PATTON
MDK INC.

Defendants

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CIVIL CAUSE NO. _____

H 05 - 3754

PLAINTIFF'S ORIGINAL COMPLAINT

TO THE HONORABLE U.S. DISTRICT JUDGE:

COMES NOW CHARLES "CHUCK" JAMES, hereinafter referred to as "Plaintiff," complaining against CLYDE E. PATTON, JUDITH PATTON, and MDK, INC. hereinafter referred to as "Defendants," and MDK INC. hereinafter referred to as "MDK" for complaint and claim for relief, respectfully shows the court as follows:

A. JURISDICTION

1. This Court has jurisdiction to hear civil actions arising under the United States Constitution pursuant to 28 U.S.C. Section 1332(a)(1) because Plaintiff is a citizen of the State of Texas and MDK is a corporation incorporated under the laws of the State of Oklahoma having its principal place of business in a State other than the State of Texas, and Defendants are a residents of Oklahoma. The matter in controversy exceeds, exclusive of interest and costs, the sum of seventy-five thousand dollars (\$75,000).

B. PARTIES

2. Plaintiff Charles James, hereinafter referred to as "Plaintiff," is an individual that is a citizen of the State of Texas. Plaintiff is a 49% shareholder of MDK., a corporation that is incorporated and has its principal place of business under the laws of the State of Oklahoma. Plaintiff is located at 3021 15th Avenue, Texas City, Texas 77590. Defendant Clyde E. Patton, is president and a 51% shareholder of MDK , a corporation that is incorporated and has its principal place of business under the laws of the State of Oklahoma. Defendant Judith Patton is an individual, Secretary and or Treasurer of MDK and a citizen of the State of Oklahoma, and can be served with process at P.O. Box 58, Sawyer, Oklahoma 74756, in accordance to Federal Rule of Civil Procedure 4(e). Defendant MDK INC., hereinafter referred to as "MDK," is a corporation that is incorporated and has its principal place of business under the laws of the State of Oklahoma. MDK may be served with process by serving its registered agent, CLYDE E PATTON, with a copy of the summons and of the complaint to HC 66 BOX 1400, SAWYER OK 74756, in accordance to Federal Rule of Civil Procedure 4(h)(1).

C. STATEMENT OF FACTS

3. On or about the 26th day of October 2004, Plaintiff and Defendant Clyde E. Patton entered into a written agreement (attached hereto and made part of by reference and shown a Exhibit 1) whereby they would purchase of the shares of MDK a corporation that specializes in maintaining and fixing large equipment used the mining of sand and gravel. Pursuant to said agreement, the Plaintiff became the owner of 49% of the shares and the Defendant became the owner of 51 % of the shares of the company; since one needed to have controlling interest in case there was a disagreement so there would not

be a tie in voting shares. The profits however from MDK were to be divided equally between the Plaintiff and Defendant CLYDE E. PATTON

On January 18, 2005, the Defendants attempted to have a "SPECIAL MEETING OF DIRECTORS OF MDK, INC" and remove Plaintiff as a director of the corporation, and authorize secretary of the corporation, Judith Patton, to change the corporate banking resolution to reflect the removal from the signature card of the Corporation . Notice of this meeting was dated and mailed January 14, 2005, to plaintiff's home at 3021 15th Ave So., Texas City Texas, and the meeting was to be held in Sawyer, Oklahoma. Plaintiff did not attend this meeting.

Since the January 18th meeting, Plaintiff has attempted to obtain an accounting, or view the financial records of the corporation; however Defendants have refused to comply with said wishes. Further, since the January 18th meeting listed above, Defendant has refused to pay Plaintiff any monies in the forms of salaries, or other monies for his ownership interest in the corporation, though due demand has been made by Plaintiff to do so, said demand has been refused by all defendants. Defendant Clyde E. Patton, and Defendant Judith Patton, however continue to improperly remove money from MDK INC. for their personal private non-business purposes.

6. As part of the agreement between Plaintiff and the Defendant Clyde E. Patton when they purchased the MDK stock, MDK was to make payments on loans Plaintiff had taken out to purchase his interest in MDK. Since the "Stockholder's meeting" MDK has refused and neglected to make said payments.

7. That Plaintiff has an inadequate remedy at law in this matter.

8. That the action was not a collusive one to confer jurisdiction on a court of the United States which would not otherwise have. To the best of Plaintiff's knowledge the only shareholders or directors of MDK are Plaintiff and Defendant Clyde E. Patton.

D. CAUSES OF ACTION AGAINST CLYDE E. PATTON

4. Fraud by Director/Officer in misappropriation of funds (corporate monies spent on non-corporation activities and people);

5. Improper notice of shareholders meeting, or waiver of shareholder's- meeting it was in writing, (The written notice was dated four days prior to the meeting instead of required 10-60days);

6. Improper removal of Director/Owner – true that Director/Owner can be removed at anytime by majority of all attending shareholders, but improper because improper notice given for the meeting and there was not unanimous consent given and there was not a waiver in writing or attendance by Plaintiff without objection; The purpose of this meeting was to deprive Plaintiff of his interest in MDK.

7. Failure to provide accounting to a 49% Shareholder after 3 written requests by the shareholder ;

8. Failure to provide monies owed to 49% shareholder, and since accounting was refused, it is unclear how much money is owed;

9. Breach of Fiduciary Duties of Loyalty by director/owner Clyde Patton and Secretary or Treasurer Judith Patton to the shareholder Plaintiff;

10. Breach of Fiduciary Duties of Care by director/owner Clyde Patton,. and Secretary or Treasurer Judith Patton to the shareholder Plaintiff;

11. Misappropriation of corporate monies and property for the personal benefit, rather than for corporate purposes by Defendant Clyde E. Patton and Defendant Judith Patton;

12. Failure and/or refusal to provide accounting to shareholders after due demand was made for such accounting by Clyde E. Patton and Judith Patton;

E. CAUSES OF ACTION AGAINST MDK CORPORATION.

13. Defendant MDK has refused, neglected to make the payments to Plaintiff as agreed by the parties when they originally agreed to purchase said corporation.

E. DAMAGES.

14. Plaintiff requests such damages as are just and equitable, including an accounting for any and all monies that have come into the corporation, and that have been spent by the corporation and or Defendant Clyde E. Patton and Defendant Judith Patton.

15. Plaintiff requests his equitable and fair remuneration for his share of the corporation, including his damages for improper removal as a Director/Owner, including, but not limited to his salary, director's fees, dividends, and any and all monies, property that he may be entitled to.

F. ATTORNEY'S FEES

16. Plaintiff is entitled to, demands and sues for reasonable attorneys fees and costs in

his proceeding to vindicate Plaintiff's rights as a corporate officer, director, and shareholder.

17. PRAYER FOR RELIEF

Plaintiff hereby prays this Court for the following relief against Defendants MDK, Clyde E. Patton and Judith Patton.

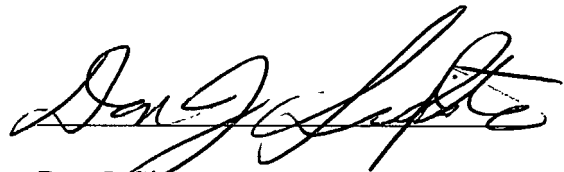
- a. Appointment of a trustee to assume the managements of MDK Inc.
- b. Requesting an audit of MDK Inc., including all income and expenses of the corporation.
- c. Requesting that after the above audit that this Court enters an order ordering Defendants Clyde Patton and Judith Patton to repay to the corporation all monies that they have unjustly and improperly taken from the corporation.
Plaintiff hereby prays this Court for the following relief against Defendant MDK Corporation;
- d. An order granting judgment against MDK for the missed payments that were to be made pursuant to the agreements between Plaintiff and Defendant, and which MDK has failed to make, including interest at a fair rate for the missed payments.
- e. Other just and equitable relief that this Court may see fit to provide, including, but not limited to, returning Plaintiff to his rightful place as a officer, director, owner of the corporation.

17. WHEREFORE, Plaintiff prays that Defendant Clyde E. Patton and Judith Patton and MDK INC. be cited to appear and answer herein; that Plaintiff have judgment against Defendants jointly and severally for actual, special and general damages as alleged; and that the Court:

- a. Assume jurisdiction of this action;
- b. Award Plaintiff damages as requested above;
- c. Award Plaintiff reasonable attorney fees and costs pursuant to 42 U.S.C. §1988, including Pre- and post-judgment interest; and Costs of court; and
- d. Order such further relief as may appear to the Court to be equitable and just.

Dated this 3 day of Nov, 2005.

Respectfully submitted,



Don J. Sixta
SIXTA & ASSOCIATES, P.C.
Admission No 24725
2225 County Road 90, Suite 121
Pearland, Texas 77584
281-485-4366
281-485-4721 (facsimile)
ATTORNEY FOR PLAINTIFF

Approved as to form and content

Charles "Chuck" James, Plaintiff

STATE OF OKLAHOMA:

:ss

AGREEMENT

COUNTY OF CHOCTAW:

This agreement made and entered into this 26th day of October, 2004 by and between Darren Couch, hereinafter designated as First Party and Clyde Patton and Chuck James, herein after designated as Second Party, witnesseth:

First Party agrees to sell and Second Party agrees to purchase Five Hundred (500) shares of stock of MDK Inc. (That being all of the shares of MDK Inc.) at and for the total consideration of Seventy Five Thousand Dollars (\$75,000.00).

It is further understood and agreed by and between the parties that the consideration will be paid by Second Party to First Party by delivering a Warranty Deed covering the following two tracts of real property, to-wit:

Tract 1: W/2 NW/4 SE/4 SW/4 of Section 21, Township 6 south, Range 17 East and that part of the NE/4 SW/4 of Section 21, Township 6 South, Range 17 East, situated and lying South and West of the Frisco (A & C) Railroad, more particularly described as follows: Beginning at the Southwest corner of the NE/4 SW/4 of Section 21, Township 6 South, Range 17 East, thence North 545 feet to the Southerly R/W line of Frisco Railroad; thence in a Southeasterly direction along the Southerly R/W line of Frisco Railroad a distance of 880.1 feet thence West 692 feet to the point of beginning, containing in all 9.33 acres, more or less,

Tract 2: A piece or parcel of land lying in the N/2 NE/4 of Section 1, Township 6 South, Range 18 East, Choctaw County, Oklahoma, and more particularly described by metes and bounds as follows, to-wit: Starting at the NE corner of Section 1, Township 6 South, Range 18 East, thence South 89 degrees 53 minutes West a distance of 660 feet to the place of beginning, thence South 26 degrees 34 minutes West a distance of 737.90 feet, thence South 89 degrees 53 minutes West 1650 feet, thence North a distance of 655.38 feet, thence North 89 degrees 53 minutes East a distance of 1980 feet to the place of beginning, containing 27.45 acres, more or less, less the following two tracts, to-wit:

Tract A: A piece or parcel of land lying in the N/2 NE/4 of Section 1, Township 6 South, Range 18 east of the I.B.&M., and more particularly described by metes

and bounds as follows, to-wit: Starting at the NE corner of said Section, thence South 89 degrees 53 minutes West a distance of 1088 feet to the place of BEGINNING, thence South 11 degrees 10 minutes West a distance of 327.9 feet, thence South 88 degrees 24 minutes West a distance of 181.4 feet, thence South 13 degrees 02 minutes West a distance of 338 feet, thence South 89 degrees 53 minutes West a distance of 1231 feet, thence North a distance of 655.38 feet, thence North 89 degrees 53 minutes East a distance of 1552 feet to the place of BEGINNING containing 20.96 acres, more or less,

Tract B: A piece or parcel of land lying in the N/2 NE/4 of Section 1, Township 6 South, Range 18 East of the I.B.&M., Choctaw County, Oklahoma, and more particularly described by metes and bounds as follows, to-wit: Starting at the NE corner of said Section, thence South 89 degrees 53 minutes West a distance of 1088 feet, thence South 11 degrees 10 minutes West a distance of 327.9 feet to the place of BEGINNING, thence South 88 degrees 24 minutes West a distance of 181.4 feet, thence South 13 degrees 02 minutes West a distance of 338 feet, thence North 89 degrees 53 minutes East a distance of 230 feet, thence North 4 degrees 42 minutes East a distance of 335.0 feet to the place of BEGINNING, containing 1.6 acres, more or less,

which the parties agree has an equity of approximately Sixty Two Thousand Five Hundred Dollars (\$62,500.00), (taking into consideration the value of the property less the Promissory Note and First Mortgage on each of the properties.) The exact amount of equity will be calculated at closing for each tract of property with Tract 2 having a total value of Ninety Five Thousand Dollars (\$95,000.00) with the equity being Ninety Five Thousand Dollars less the payoff of the First Promissory Note and Real Estate Mortgage as of the date of closing and the exact equity value of Tract 1 would likewise be determined by the agreed value of Forty Thousand Dollars (\$40,000.00) less the payoff of the Promissory Note and Real Estate Mortgage as of the date of closing. First Party will pay off the two outstanding notes at closing. Second Party shall then deliver their Promissory Note in the amount calculated as being the difference between Seventy Five

Thousand Dollars and the equity value of Tracts 1 and 2 with interest at the rate of 8 3/4% and provide for monthly amortized payments over ten (10) years with a balloon at the end of two (2) years to make up the total consideration of Seventy Five Thousand Dollars (\$75,000.00). Simultaneously with the delivery of the consideration aforesaid, First Party shall deliver to Second Party the Five Hundred (500) shares of stock with Clyde Patton to have two hundred fifty five (255) shares and Chuck James to have two hundred forty five (245) shares.

It is further agreed by and between the parties that First Party shall be entitled to possession of tract 1 upon the closing of this transaction and shall be entitled to the possession of tract 2 within thirty (30) days of the date of closing.

It is further agreed by and between the parties that Second Party shall operate MDK Inc. as a construction company and shall employ First Party and First Party agreed to work for at least six (6) months from the closing of this transaction as a consultant at and for the sum of Two Thousand Dollars (\$2,000.00) per month by weekly payments.

It is further understood and agreed by and between the parties that Second Party shall provide to First Party abstracts of title currently certified which will provide a good and merchantable title in and to both tracts, subject to mineral reservations and easements of record and further subject to the mortgages set out hereinabove.

It is further understood and agreed by and between the parties that the real estate taxes for both tracts shall be pro-rated to the date of closing.

It is further understood and agreed by and between the parties that First Party shall loan to Second Party the sum of Fifteen Thousand Dollars (\$15,000.00) as working capital and shall be repaid without interest from Second Party to First Party at the completion of Utica, Illinois, Phase #2 job with the payment date being not later than January 31, 2005.

It is further specifically understood and agreed by and between the parties that First Party covenants and agrees not to engage in a construction company to compete with

Second Party as an owner, for a term of five (5) years, provided however if the promissory note from Second Party to First Party goes into default, then this provision for non-competition will be null and void, provided further however, that First Party shall be entitled to be an employee, foreman or supervisor of any construction company.

It is further understood and agreed by and between the parties that MDK Inc. has the assets set out in Exhibit "A" and are debt free.


It is further understood and agreed by and between the parties that the corporation has no substantial debts and have paid all taxes necessary and due and further agrees that First Party shall be responsible for all debts incurred prior to closing and shall further be entitled to all income generated prior to closing and that upon closing all income earned after closing and all debts incurred after closing shall become Second Parties.

It is further understood and agreed by and between the parties that the covenants and agreements contained in this agreement shall extend beyond the closing of this transaction where necessary.

It is further understood and agreed by and between the parties that this agreement shall be binding upon the heirs, executors, administrators, devisees, trustees and assigns of the respective parties hereto.


DARREN COUCH, First Party


CLYDE PATTON, Second Party


CHUCK JAMES, Second Party

pattoncouch.agm/to

10/22/2004
10:04

MDK INC.
Federal ID #: 73-1624852
Asset Summary - Federal Tax Basis
Period Ended 12/31/04

Company: MDK
Page: 1

<u>Num</u>	<u>Loc</u>	<u>Property Description</u>	<u>Acquired</u>	<u>T</u>	<u>Method</u>	<u>Life</u>	<u>Cost/Basis</u>	<u>179 Exp/AED</u>	<u>Add SDA</u>	<u>Prior Depr.</u>	<u>Current Depr.</u>	<u>Ending Depr.</u>
Group # 1 FURNITURE & FIXTURES												
1	1	MOE-COPIER #R9554	03/20/02	N	MACRS	5	2,426.50	0.00	727.95	1,611.20	326.12	1,937.32
2	1	HP OfficeJet T45 fax	01/01/02	N	MACRS	5	400.00	0.00	120.00	269.60	53.76	319.36
3	1	2 VPR Matrix Computer	01/01/02	N	MACRS	5	2,400.00	0.00	720.00	1,593.60	322.56	1,916.16
4	1	2 Filing Cabinets	01/01/02	N	MACRS	5	50.00	0.00	0.00	26.00	9.60	35.60
5	1	3 Filing Stackers	01/01/02	N	MACRS	5	50.00	0.00	0.00	26.00	9.60	35.60
6	1	Two Phones	01/01/02	N	MACRS	5	50.00	0.00	0.00	26.00	9.60	35.60
7	1	Window A/C	01/01/02	N	MACRS	5	250.00	0.00	75.00	165.00	33.60	199.60
9	1	1 Office Chairs	01/01/02	N	MACRS	5	125.00	0.00	0.00	65.00	24.00	89.00
10	1	2 Computer Desks	01/01/02	N	MACRS	5	200.00	0.00	0.00	104.00	38.40	142.40
11	1	Dry Erase Board	06/01/02	N	MACRS	5	50.00	0.00	15.00	33.20	6.72	39.92
12	1	Office Jet K60	01/01/02	N	MACRS	5	350.00	0.00	105.00	232.40	47.04	279.44
13	1	Gateway laptop	06/01/02	N	MACRS	5	1,800.00	0.00	540.00	1,195.20	241.92	1,437.12
14	1	HP Pavilion	06/01/02	N	MACRS	5	2,100.00	0.00	630.00	1,394.40	282.24	1,676.64
Group # 1 Total							10,251.50	0.00	2,932.95	6,738.60	1,405.16	8,143.76
Group # 2 CONSTRUCTION EQUIPMENT												
3	1	LINCOLN WELDER 22	01/01/02	N	MACRS	5	1,800.00	0.00	0.00	936.00	345.60	1,281.60
9	1	OXYGEN & ACETYLE	01/01/02	N	MACRS	5	200.00	0.00	0.00	104.00	38.40	142.40
10	1	200' OXY & ACETYLE	01/01/02	N	MACRS	5	220.00	0.00	0.00	114.40	42.24	156.64
11	1	OXY & ACET PROTECT	01/01/02	N	MACRS	5	25.00	0.00	0.00	13.00	4.80	17.80
14	1	CAMPBELL HAUSFELD	01/01/02	N	MACRS	5	600.00	0.00	0.00	312.00	115.20	427.20
17	1	BOSCH HAMMER DRI	01/01/02	N	MACRS	5	319.00	0.00	0.00	163.88	61.23	227.13
18	1	2 - KETT SHEARS	01/01/02	N	MACRS	5	298.00	0.00	0.00	154.96	57.22	212.18
19	1	2 - PORTA POWER	01/01/02	N	MACRS	5	300.00	0.00	0.00	156.00	57.60	213.60
20	1	1/2" DEWALT DRILL	01/01/02	N	MACRS	5	109.00	0.00	0.00	56.68	20.93	77.61
21	1	3 - 1/2" DEWALT IMP	01/01/02	N	MACRS	5	358.00	0.00	0.00	186.16	68.74	254.90
22	1	DEWALT NIBBLER	01/01/02	N	MACRS	5	469.00	0.00	0.00	243.88	90.05	333.93
23	1	2 - PORTER CABLE B	01/01/02	N	MACRS	5	308.00	0.00	0.00	160.16	59.14	219.30
24	1	PROTO MAGNETIC D	01/01/02	N	MACRS	5	1,500.00	0.00	0.00	780.00	288.00	1,068.00
25	1	2 - METABO C/L DRIL	01/01/02	N	MACRS	5	478.00	0.00	0.00	248.56	91.78	340.34
26	1	DEWALT CHOP SAW	01/01/02	N	MACRS	5	449.00	0.00	0.00	233.48	86.21	319.69
27	1	MILWAUKEE CHOP S	01/01/02	N	MACRS	5	229.00	0.00	0.00	119.08	43.97	163.05
28	1	2-MILWAUKEE SKILL	01/01/02	N	MACRS	5	478.00	0.00	0.00	248.56	91.78	340.34
29	1	2 SKILL SAWS	01/01/02	N	MACRS	5	278.00	0.00	0.00	144.56	53.38	197.94
30	1	PORTER CABLE NAIL	01/01/02	N	MACRS	5	369.00	0.00	0.00	191.88	70.85	262.73
31	1	CRAFTSMAN CHAIN S	01/01/02	N	MACRS	5	150.00	0.00	0.00	78.00	28.80	106.80
32	1	12" PIPE BEVEL MAC	01/01/02	N	MACRS	5	1,500.00	0.00	0.00	780.00	288.00	1,068.00
33	1	2-COMLETE SURVEY	01/01/02	N	MACRS	5	600.00	0.00	0.00	312.00	115.20	427.20
34	1	4 SCREW GUNS	01/01/02	N	MACRS	5	596.00	0.00	0.00	309.92	114.43	424.35
35	1	9" SANDER/GRINDER	01/01/02	N	MACRS	5	250.00	0.00	0.00	130.00	48.00	178.00
36	1	BARREL TORCH	01/01/02	N	MACRS	5	300.00	0.00	0.00	156.00	57.60	213.60
37	1	3 VICTOR TORCHES	01/01/02	N	MACRS	5	450.00	0.00	0.00	234.00	86.40	320.40
38	1	SMALL MISC TOOLS	01/01/02	N	MACRS	5	566.00	0.00	0.00	294.32	108.67	402.99
39	1	CLAMPS	01/01/02	N	MACRS	5	410.00	0.00	0.00	213.20	78.72	291.92
40	1	EXT CORDS	01/01/02	N	MACRS	5	336.00	0.00	0.00	174.72	64.51	239.23
41	1	RATCHET STRAPS	01/01/02	N	MACRS	5	500.00	0.00	0.00	260.00	96.00	356.00
42	1	CHOKERS	01/01/02	N	MACRS	5	1,840.00	0.00	0.00	956.80	353.28	1,310.08
43	1	SHACKLES	01/01/02	N	MACRS	5	640.00	0.00	0.00	332.80	122.88	455.68
44	1	PRY BAR	01/01/02	N	MACRS	5	328.00	0.00	0.00	170.56	62.98	233.54
45	1	SAW SET	01/01/02	N	MACRS	5	179.00	0.00	0.00	93.08	34.37	127.45
46	1	SOCKETS	01/01/02	N	MACRS	5	250.00	0.00	0.00	130.00	48.00	178.00
47	1	SPUD CRESNET	01/01/02	N	MACRS	5	100.00	0.00	0.00	52.00	19.20	71.20
48	1	HANIMERS	01/01/02	N	MACRS	5	129.00	0.00	0.00	67.08	24.77	91.85
49	1	CABLE BAND SAW	01/01/02	N	MACRS	5	249.00	0.00	0.00	129.48	47.81	177.29

10/22/2004
10:04

MDK INC.
Federal ID #: 73-1624852
Asset Summary - Federal Tax Basis
Period Ended 12/31/04

Company: MDK
Page: 2

<u>Num</u>	<u>Loc</u>	<u>Property Description</u>	<u>Acquired</u>	<u>T</u>	<u>Method</u>	<u>Life</u>	<u>Cost/Basis</u>	<u>179 Exp/AFD</u>	<u>Add SDA</u>	<u>Prior Depr.</u>	<u>Current Depr.</u>	<u>Ending Depr.</u>
Group # 2 CONSTRUCTION EQUIPMENT (Continued)												
50	1	BULL FLOAT	01/01/02	N	MACRS	5	200.00	0.00	0.00	104.00	38.40	142.40
51	1	TROWELS	01/01/02	N	MACRS	5	180.00	0.00	0.00	93.60	34.56	128.16
52	1	4" PIPE BEVEL MACH	01/01/02	N	MACRS	5	650.00	0.00	0.00	338.00	124.80	462.80
53	1	3-4" GRINDERS	01/01/02	N	MACRS	5	297.00	0.00	0.00	154.44	57.02	211.46
54	1	PIPE WRENCHES	01/01/02	N	MACRS	5	352.00	0.00	0.00	183.04	67.58	250.62
55	1	CHAIN FALL	01/01/02	N	MACRS	5	3,775.00	0.00	0.00	1,963.00	724.80	2,687.80
56	1	10 SAFETY HARNESSE	01/01/02	N	MACRS	5	1,790.00	0.00	0.00	930.80	343.68	1,274.48
58	1	BOLT THREADER SET	01/01/02	N	MACRS	5	200.00	0.00	0.00	104.00	38.40	142.40
59	1	2HP AIR COMPRESSO	01/01/02	N	MACRS	5	259.00	0.00	0.00	134.68	49.73	184.41
63	1	7 SAFETY GAS CANS	01/01/02	N	MACRS	5	350.00	0.00	0.00	182.00	67.20	249.20
64	1	110 GAL FUEL TANK	01/01/02	N	MACRS	5	200.00	0.00	0.00	104.00	38.40	142.40
74	1	Miller 250 A wire welder	06/01/02	N	MACRS	5	3,000.00	0.00	900.00	1,992.00	403.20	2,395.20
75	1	WELDER-B BURGESS	10/07/03	N	MACRS	5	1,160.00	1,160.00	0.00	1,160.00	0.00	1,160.00
76	1	AIRLESS SPRAYER	04/17/03	N	MACRS	5	350.00	350.00	0.00	350.00	0.00	350.00
77	1	TRAILER-LYNN LOFT	12/30/03	N	MACRS	5	2,200.00	2,200.00	0.00	2,200.00	0.00	2,200.00
78	1	SMALL TOOLS - WOO	12/31/03	N	MACRS	5	1,350.00	1,350.00	0.00	1,350.00	0.00	1,350.00
Group # 2 Total							<u>34,473.00</u>	<u>5,060.00</u>	<u>900.00</u>	<u>20,786.76</u>	<u>5,474.53</u>	<u>26,261.29</u>
Group # 4 LEASEHOLD IMPROVEMENTS												
1	1	BOB STAGSDILL SIGN	04/03/02	N	MACRS	5	860.00	0.00	258.00	571.04	115.58	686.62
2	1	LYLES SIGN	04/05/02	N	MACRS	5	637.00	0.00	191.10	422.97	85.61	508.58
Group # 4 Total							<u>1,497.00</u>	<u>0.00</u>	<u>449.10</u>	<u>994.01</u>	<u>201.19</u>	<u>1,195.20</u>
Grand Total							<u>46,221.50</u>	<u>5,060.00</u>	<u>4,282.05</u>	<u>28,519.37</u>	<u>7,080.88</u>	<u>35,600.25</u>

JS 44 (Rev. 1/04)

05 - 3754

COVER SHEET

 United States Courts
 Southern District of Texas
 FILED

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM)

NOV 3 - 2005

I. (a) PLAINTIFFS

JAMES, CHARES D. "CHUCK"

 (b) County of Residence of First Listed Plaintiff Galveston
 (EXCEPT IN U S PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

 Don J. Sixta, Sixta and Associates, P.C., 2225 CR 90, Suite 121, Pearland,
 TX 77584
DEFENDANTS
 PATTON, CLYDE E.
 PATTON, JUDITH,

Michael N. Milby, Clerk of Court

 County of Residence of First Listed Defendant _____
 (IN U S PLAINTIFF CASES ONLY)

 NOTE IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE
 LAND INVOLVED

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U S Government Plaintiff
- ☐ 2 U S Government Defendant
- ☐ 3 Federal Question (U S Government Not a Party)
- ☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|---------------------------------------|---------------------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input checked="" type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input checked="" type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U S Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from another district (specify)
- ☐ 6 Multidistrict Litigation
- ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION
 Cite the U S Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity)
28 U.S.C. SECTION 1332(a)(1)

 Brief description of cause
Stockholders suite and fraud
VII. REQUESTED IN COMPLAINT:
☐ CHECK IF THIS IS A CLASS ACTION UNDER F R C P. 23

 CHECK YES only if demanded in complaint:
 JURY DEMAND: ☐ Yes ☒ No
VIII. RELATED CASE(S) IF ANY

(See instructions)

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____